

# **Frequently Asked Questions about the Proposed Redevelopment Plan Amendment**

## **What is the current status of redevelopment in Fremont?**

The Redevelopment Agency is active in undertaking major economic revitalization, public improvement, and affordable housing programs in four districts – Centerville, Irvington, Niles, and the Industrial Area – that together comprise the Fremont Merged Project Area. The Redevelopment Agency reinvests property tax revenues (called tax increment) generated from the Merged Project Area (primarily from the Industrial Area) back into the Merged Project Area to improve neighborhoods and commercial districts in accordance with the California Community Redevelopment Law.

The Redevelopment Plan Amendment would allow the current redevelopment program to continue in the future, primarily in the historic districts of Centerville, Irvington, and Niles.

## **What is the primary purpose of the Plan Amendment?**

Currently there is a limit on how much tax increment revenue the Redevelopment Agency can receive. The proposed Plan Amendment would increase the current cap (limit) on the receipt of tax increment from the Industrial Area portion of the Merged Project Area (the main generator of tax increment) from \$400 million to \$1.5 billion and provide the Redevelopment Agency with significant additional funding for revitalizing the historic districts, constructing major regional transportation improvements (such as the proposed Irvington BART station), and enhancing the City's affordable housing supply.

## **When will the current \$400 million Industrial Area cap be reached?**

Based on recent financial estimates, the Agency will reach the current tax increment cap in about two years (fiscal year 2011/12). At that time, without the proposed Plan Amendment, funding for redevelopment programs throughout the Merged Project Area would be sharply reduced.

## **How does the Industrial Area cap affect activities in the historic districts?**

Since 1998, tax increment from the Industrial Area portion of the Merged Project Area can be spent for redevelopment of the historic districts of Centerville, Irvington, and Niles. If the current Industrial Area tax increment cap is reached without the proposed Plan Amendment, this primary funding source will no longer be available for new projects in the historic districts.

## **How much additional funding will be available for future projects?**

If successful, the proposed cap amendment will provide the Agency with an additional \$1.1 billion of revenue in future-value dollars for the next 20 years. Over 30% of this additional revenue will be shared with the affected taxing entities (other local government agencies) in the form of annual payments and 20% will be set aside in the Agency's low and moderate income housing fund. Stated in 2009 dollars, the Agency's share of the additional \$1.1 billion of revenue will create approximately \$243 million for non-housing redevelopment projects and \$156 million for affordable housing expenditures.

## **How will this future revenue be distributed among various projects/expenditure categories?**

Future funding would be allocated among the following categories (in 2009 dollars): regional transportation, including the proposed Irvington BART station (\$120 million), economic development and redevelopment activities for historic district business activity (\$84 million), public infrastructure, facilities and landscaping improvements (\$71 million), building rehabilitation/façade improvements/historic preservation programs (\$13 million), hazardous materials clean-up (\$8 million), and cost contingencies/Agency administration expenses (\$29 million). At this time, total cost of all future projects exceeds the estimated revenues by approximately \$30 million (in 2009 dollars). However, the Agency will be pursuing various additional funding sources for future projects over the next 20 years.

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**What types of projects is the Agency envisioning under the proposed Plan Amendment?**

Examples of future projects include: Irvington BART station, a rail station and multi-modal transit facility in the Industrial Area, Monument Center redevelopment in Irvington, re-use of former Fire Station 6 in Centerville, redevelopment of the Union Pacific site (Phase 2) in Niles, and a number of commercial rehabilitation, infrastructure/streetscape, utility undergrounding and hazardous materials remediation activities in all districts. The Agency will also be in the position to fund additional affordable housing opportunities Citywide.

**Can the Agency help the City maintain existing infrastructure and municipal services during these challenging budget times?**

Redevelopment law explicitly prohibits redevelopment funding of City maintenance and operations activities. Generally, redevelopment agencies can spend their non-housing funds on improvement projects located within or of immediate benefit to the redevelopment area boundaries. In addition, upon certain findings, the Agency can utilize redevelopment dollars anywhere in the City for the production of affordable housing.

**How does the Agency's ability to collect revenue affect the City's General Fund?**

The City is unable to collect both redevelopment revenue and its full share of property taxes from the Merged Project Area. On average, for every \$1 of redevelopment tax increment revenue generated in a redevelopment district, approximately \$0.15 of the City's General Fund is foregone.

**How does the entire region benefit from the proposed Plan Amendment?**

The proposed Irvington BART station is one of the most significant regional benefits of the proposed Plan Amendment. In addition to providing the much needed local and regional transit opportunities and stimulating private reinvestment in Irvington, the proposed station will also contribute to the decrease in vehicular traffic in the area and the subsequent reduction of the greenhouse gas emissions.

**Will increasing the cap also increase my taxes?**

No. Redevelopment does not increase property taxes nor add any new tax obligations to property owners. Redevelopment tax increment funding simply assures that a much greater portion of the property taxes normally generated from the Merged Project Area gets reinvested locally to revitalize Merged Project Area commercial districts and residential neighborhoods.